(c) whether any complaint regarding this disinvestments has been made by any trade union or any other quarter;

(d) if so, the name of the complainant; and

(e) the details of the complaint made and the actions, taken by Government on this complaint so far.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM) : (a) and (b) Yes, Sir. On 2nd March, 2001, the Government had sold 51 per cent of the equity of Bharat aluminium Company Limited (BALCO) to M/s. Sterlite Industries (India) Limited, a company duly incorporated under the provisions of the Companies Act, 1956.

(c) to (e) The details are being compiled and will be laid on the Table of the House.

Credit flow to the Small Scale Industries and Agriculture Sectors

4197. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that commercial banks are unable to increase the flow of credit to small scale industries and agriculture sectors;

(b) if so, the details of credit given to these sectors in the last three years; and

(c) what steps Government is taking to step up credit to these sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No, Sir. The credit flow from Public Sector Banks to small scale industries (SSI) and agriculture sectors has increased considerably during the last three years. As reported by the Reserve Bank of India (RBI), the outstanding credit given by the Public Sector Banks to SSI & agriculture sector during the last three years is as under:–

(Rupees in crore)

Year	SSI	Agriculture
2005	68,000	1,09,917
2006	82,434	1,55,220
2007@	1,04,703	2,05,091

@ Provisional

(c) The Government of India (GoI) and Reserve Bank of India have taken various steps to ensure timely and adequate credit to both the SSI and agriculture sectors, as given in the Statement.

Statement

Steps to step up credit to SSI and Agriculture Sector.

- To encourage banks to lend more to the Small and Medium Enterprises (SME) sector, it has been announced in the Budget for 2007-08 that banks will be advised to have regard to the credit rating acquired by an SME while fixing the interest rate.

- The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 has been enacted by the Ministry of Micro, Small and Medium Enterprises to cater the needs of SME sector.
- Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has reduced the one time guarantee fee from 1.5% to 1% and annual service fee from 0.75% to 0.50% in respect of credit facility up to Rs. 5 lakh sanctioned by Banks/ Member Lending Institutions (MLIs) to the Micro and Small Enterprises. CGTMSE has made arrangements with Life Insurance Corporation (LIC) for providing insurance cover to borrowers, identified as chief promoters.
- Banks are to ensure that out of their total funds lent to (Small Scale Industries) SSI sector, at least 40% should be made available to units with investment in plant and machinery up to Rs.5 lakh and Rs.25 lakh.
- Composite loan limit has been increased from Rs. 50 lakh to Rs. 1 crore.
- Banks have been advised to adopt the method of computation of working capital requirement of SSI units, on the basis of simplified method of minimum 20% of the projected annual turnover of the borrowing unit for limits up to Rs. 5 crore.
- Banks have been advised to open at least one specialised SSI branch in each district.
- Banks have been advised to develop schemes to encourage investment by SSI units in technology up-gradation. Government have also introduced the scheme of Credit Linked Capital Subsidy for the upgradation of the Small Scale Industries.
- The Small and Medium Enterprises (SME) Fund has been structured by SIDBI for providing impetus to the growth of SME Sector in India.
- Venture Capital Fund of Rs.500 crore has been set up by SIDBI.
- A Credit Rating Scheme has been introduced by National Small Industries Corporation (NSIC).
- A dedicated Rating Agency for SME sector *i.e.* SME Rating Agency (SMERA) by SIDBI has been operationlised.
- After implementation of the debt waiver and debt relief scheme for farmers, the farmer whould be entitled to fresh agricultural loans from the banks.
- GoI is providing interest subvention @ 2% per annum to Public Sector Banks, Regional Rural Banks (RRBs) and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks and RRBs since Kharif 2006-07 to ensure Short Terms crop loans upto Rs.3 lakh to farmers at interest rate @ 7% per annum at the ground level.
- Commercial Banks and Regional Rural Banks have been successful in financing more than 75 lakhs new farmers during each of the last three years.
- Banks have simplified the procedure for documentation for agricultural loans.

- Loans upto Rs. 50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' have been dispensed with.
- Banks have been advised to provide all eligible farmers with Kisan Credit Cards.
- Banks have been instructed to achieve financial outreach through provison of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.

Concessions and duties for pharmaceutical sector

†4198. SHRI BANWARI LAL KANCHHAL: Will the Minister of FINANCE be pleased to state:

(a) whether the pharmaceutical industries and pharmaceutical drugs which are directly related to the health of the people of the country, have been denied concessions and proper duty; and

(b) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In this year's budget (2008-09), a concessional exicse duty @8% has been provided on all pharmaceuticals including drugs and medicines. General SSI exemption is also available to pharma sector. Further, specified life saving drugs and bulk drugs for their manufacture attracts nil/5% basic customs duty. Such drugs are also exempted from exicse duty. In addition, Government had also provided concessional rate of 5%/ nil basic customs duty on specified R&D equipment for pharma and bio-technology sectors, for importers/manufacturers having research and development wing registered with the Department of Scientific & industrial Reserach, in the Ministry of Science and Technology.

Policy for sanctioning of loans

†4199. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether any steps have been taken or proposed to be taken by Government to review drarwbacks in the policy being followed by banks and financial institutions for sanctioning loan and its recovery for the unprivileged section, the unemployed youth, labourers and farmers;

(b) if so, the details thereof, as on date; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Lending to agriculture and weaker sections and progress in lending/ recovery to these sections of the population is monitored/reviewed periodically by the Government/RBI at different fora like Block Level Bankers' Committee (BLBC), District Consultative Committee (DCC) and State Level Bankers' Committee (SLBCs), etc.

† Original notice of the question was received in Hindi.